

Impact of Social Media on Organizational Culture: Evidence from Pakistan

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Abstract

This paper investigates the impact of social Media on Organizational culture. The approach used in this paper was to give the application and significance of development of Social media for organizations. With an introduction to social media, organizational culture is focused by studying communication, business focus, workplace harmony, workplace behaviors, and business discipline. A self-administered survey is used to collect responses from employees working at different organizations through e-mail and various social media tools. The main result of the research is the validation of the research framework of employees operating in the SME's of Pakistan. It has been found that organizational culture is considerably affected by development and application of social media for business related activities in organizations.

Keywords: Social Media, Pakistan, organizational culture

1. Introduction

The concept of Social Media is top of the agenda for many business executives today. Decision makers, as well as consultants, try to identify ways in which firms can make profitable use of applications such as Wikipedia, YouTube, Facebook, Second Life, and Twitter. Yet despite this interest, there seems to be very limited understanding of what the term "Social Media" exactly means; this article intends to provide some clarification. We begin by describing the concept of Social Media, and discuss how it differs from related concepts such as Web 2.0 and User Generated Content. Based on this definition, we then provide a classification of Social Media which groups applications currently subsumed under the generalized term into more specific categories by characteristic: collaborative projects, blogs, content communities, social networking sites, virtual game worlds, and virtual social worlds.

As of January March 2012, the online social networking application Facebook registered more than 900 million active users. At the same time, every minute, 10 hours of content were uploaded to the video sharing platform YouTube. And, the image hosting site Flickr provided access to over 3 billion photographs, making the world-famous Louvre Museum's collection of 300,000 objects seem tiny in comparison. According to Forrester Research, 75% of Internet surfers used "Social Media" in the first quarter of 2012 by joining social networks, reading blogs, or contributing reviews to shopping sites; this represents a significant rise from 56% in 2011. The growth is not limited to teenagers, either; members of Generation X, now 35—44 years old, increasingly populate the ranks of joiners, spectators, and critics. It is therefore reasonable to say that Social Media represent a revolutionary new trend that should be of interest to companies operating in online space—or any space, for that matter. Yet, not overly many firms seem to act comfortably in a world where consumers can speak so freely with each other and businesses have increasingly less control over the information available about them in cyberspace. Today, if an Internet user types the name of any leading brand into the Google search, what comes up among the top five results typically includes not only the corporate webpage, but also the corresponding entry in the online encyclopedia Wikipedia or a Facebook Page most of the times followed by a Twitter account!

On the other hand organizational culture exists on many levels and can be described by examining organizational structures and policies, stories and rituals, and behavioral norms and espoused values. Organizational behavior, decisions, and actions are guided by the core values and beliefs found at the deepest level of the culture (Schein, 1992).

In the industrial development of a country the importance of the SME sector cannot be overemphasized. SMEs constitute nearly 90% of all the enterprises in Pakistan; employ 80% of the non-agricultural labor force; and their share in the annual GDP is 40%, approximately. However, unlike large enterprises in the formal sector, a small and medium enterprise is constrained by financial and other resources. This inherent characteristic of an SME makes it imperative that there should be a mechanism through which it may get support in different functions of business including technical upgradation, marketing, financial and human resource training & development.

This paper determines to what extent social media effects organizational culture in SMEs. The

complexity associated with culture including the multiple levels of analysis and number of factors related to social media suggests that it plays a key role in organizational culture.

2. Literature Review

2.1 Social Media

Social media is basically about the technologies that have increased the social interaction of individuals online. The websites related to social media are most significant in recent time. These sites use blogs, videos, pictures, message boards, to help people communicate more often. The trend of this technology started with basic texting and later on many graphics were added in it. Websites, including YouTube, MySpace, Facebook, Orkut, and Flickr give opportunities to people for expressing their ideas with ease. (Mack, 2008).

Social media has several benefits including easy exchange of information created and generated by users. (Kaplan and Haenlein, 2010). Social media uses include “(1) social networking (e.g., Facebook), (2) blogging (e.g., blogger.com), (3) microblogging (e.g., Twitter), (4) video sharing (e.g., YouTube), (5) presentation sharing (e.g. Slideshare), and (6) picture sharing (e.g. Flickr)”. Social media is now increasingly used in workplace other than for hedonistic purposes (Bughin, Chui and Miller, 2009; Bughin and Manyika, 2007; McAfee, 2006).

In case of media technologies, corporate world follows what is going on outside work. In 1980’s when video cassette recorders became common, executives realized the application of videos for improving employee communication. Similarly in mid-1990 when World Wide Web was well known to world, organizations soon found opportunities for e-commerce. Same is going on now. Organizations have realized the potential in social media to facilitate collaborative learning at workplace. Many organizations are using social media as a forum to share ideas or discuss issues. Employees are using social networks to offer their expertise to people or to get the expertise of others. Social media works best in those cultures where knowledge sharing is valued and rewarded. (Shepherd, 2011)

Sixty percent of adults have maintained a profile on social networking sites, and 70% of them read blogs and tweets (Galagan, 29). With the passage of time social media has expanded as an advertising gateway for business from a small communication channel for students. Scott Cooley states in an article titled “Social Networks and Facebook”, “people can go on Facebook and read wall posts to get a sense of the reputation of a person”. Cooley says that companies having a large Facebook following have greater chances of improving their business productivity. Currently many businesses search a person’s name on Facebook before considering them for hire. A Facebook fan page is now an important relationship builder with customers and clients.

Social Media has provided new business and marketing strategies, replacing older types of advertising. Companies can draw in social media users providing a brief summary about operations of the business. If the user likes the provided information they can follow links to the business website for more information.

As a social technology, characteristics of social media are different from other Information and Communication Technology systems. Social media systems allow more transparency, free discussion and openness in the workplace hence they might collide with cultural values of the organization (Leidner and Kayworth, 2006).

2.2 Organizational Culture

Organizational culture is a term that is frequently used in workplace discussions. In the publication *In Search of Excellence*, Peters and Waterman (1982) discussed the significance of culture in achieving organizational goals effectively. Organizational culture can be generally described as set of norms, beliefs, principles and ways of behaving that give a distinctive character to organizations collectively (Brown 1995).

According to Schein culture is; “*A pattern of shared basic assumptions – invented, discovered, or developed by a given group as it learns to cope with its problems of external adaptation and internal integration – that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think and feel in relation to those problems.*” (Schein, 1985)

Schein developed a model for explaining organizational culture. He gave three levels of organizational culture. (1) *Artifacts*; materialized expressions of values (Kong 2003). They help in communicating and reinforcing the new corporate culture (McShane, 2000). Physical Artifacts include offices, facilities, furnishing, visible awards and recognition, dress code of the firm and technology. Whereas verbal artifacts include rituals, stories, myths, sagas, slogans, mission statement, organizational language. (2) *Espoused Values*; Strategy, goals, philosophies e.g., Loyalty, Customer Service. (3) *Basic underlying assumptions*; unspoken rules of a culture.

Artifacts are easily noticed but they are difficult to be understood by people not related the specific organizations. They give the symbolic meaning of values of an organization. Underlying assumptions form the basis of the culture of an organization. They are difficult to understand. In order to determine them one must immerse in organizational culture. Underlying assumptions are described in terms of perceptions, emotions, behaviors and thoughts of organization members.(Hatch, 2004).

Organizational culture has three main functions: (1) It is a deeply embedded form of social control; (2) it is also the “social glue” that bonds people together and makes them feel part of the organizational experience; and (3) corporate culture helps employees make sense of the workplace (McShane, 2000)

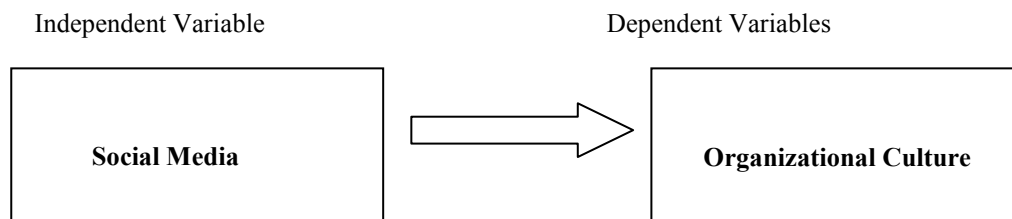
Organizational cultures keep on forming and changing over the period of time as organizations reflects the industry characteristics such as competitive environment and customer requirements along with values and behaviors of employees and leaders (eg.Schein 1985; Ott 1985; Gordon 1991).

Organizational culture determines the ways in which an organization operates and how the organizational members frame events inside as well as outside the organization. (Martin 2006). Based on such collision between social media and cultural values, the research question of our study is:

To what extent there is an Impact of Social Media on Organizational Culture in SMEs of Pakistan?

3. Theoretical Model

Theoretical framework of Impact of Social Media on Organizational Culture in SME's of Pakistan.



Source: (Schein, E. 1985)

3.1 Hypothesis

Modern business organizations are facing accelerated changes in current environment. One of the factors affecting modern business organizations is the immense growth of social media in last few years. Social media has an impact on cultural values of organizations. Based on three levels of culture explained by Schein, we have developed following propositions for our research study based on cultural dimensions from three broad levels proposed by Schein.

(a) Verbal Artifacts: Internal Communication. (b) Espoused Values: Values, Business Discipline (c) Basic Underlying Assumptions: Business Focus, Workplace Harmony, Workplace behaviors.

H1. Social Media is positively related with organizational culture

4. Methodology

This cross-sectional study aimed to find out more about to what extent the social media tools impacts organizational culture. In order to be eligible to participate, individuals had to be currently employed by a commercial or nonprofit organization or corporation. A self-administered survey was used to collect responses from 175 employees working at various companies through e-mail and various social media tools. The online survey made it possible to reach a large number of individuals who could complete the survey at their convenience.

The survey consisted of both existing validated measures and custom ones. The dependent variable, organizational culture, was measured using a customized 8-question validated assessment from the Humming Corporate Culture Survey using 5 point likert scale with 5 representing strongly agree and 1 representing strongly disagree. Social Media dimensions were measured by 14-question custom assessment for employees who work at an organization that offers access to social media. Data analysis was done through Regression and Correlation through Statistical tool SPSS v 20.

5. Results and Analysis

This study produced 175 valid responses from employees working at for profit organizations. The study did not set out to find differences by demographic categories and in many cases the sample sizes would not allow meaningful differences to be detected. Still, it is important to note that no significant differences by gender, age or income w level were found. The study sample consisted of the following:

76% male and 24% female

18% baby boomers, 55% Gen Y and 27% Gen X

71% work for an private sector, 23% are in Public sector and rest 6% based out of other organizations of the country.

27% with less than one year experience and 51% with between zero and five years, 11% with six to ten years, 10% with ten or more years work experience.

Respondents were 34% staff, 50% working at managerial level and rest 16% were owners or executives

of the firm.

A variety of organizations were represented in term of sizes, 46% Micro Firms, 19% small, and 35% organizations were medium sized.

75% said they use social media for work related purpose only, rest of the 25% don not.

The quantitative data collected in this study was analyzed using SPSS v 20 to determine t-tests, regression and mean scores. Item reliability (alpha score > .7) was checked for the employee engagement factor (.915). Cross tab stats are attached.

6. Significance and Limitaions

It may contribute to the knowledge for academia and scientific community. It may help the practitioners of SME's to implement and standardized the social media tools, which may result as a strategy for better and updated organizational cultures. It may support managers of today's organizations to have a better understanding of how to stimulate organization and bring positive change n organization culture with respect to employees and

This study looked across a limited number of organizations and showed a significant relationship between social media and organizational culture. However, it was not possible to determine which social media tools had the strongest relationship to organizational culture. Future research could look at the social media tools offered within one organization to determine this. Future research could also look for demographic relationships, as the sample sizes in this study were too small to do so. Time constraint is another factor. In future sample size need to be increased to generalized the results. Future researchers may include may expand the research to other cities, as well as other industries / corporate sectors.

It is unlikely that questions included in questionnaire have equal value to every organization. Not all measures are actionable. Little research has been done to attest to the predictive validity of the measures used.

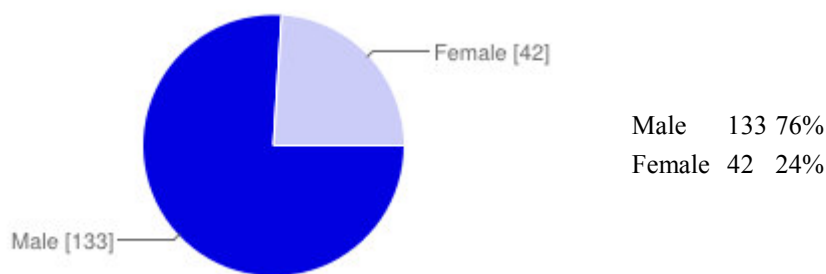
7. Conclusion

Social media pervades every aspect of organizational life, having a powerful influence on organizational culture. This discussion explored an organizational culture framework including seven dimensions of organizational culture that are influenced by usage of social media when incorporated in working. Social media is enhancing employee communication, work environment, shares knowledge, builds trust, makes aware of their business enables early detection of organizational wrongdoing, finds new human resources and facilitates by knowing customers side as well development of an positive changes in work environment. Increase usage of social media for work will definitely leave positive impacts on organizational overall culture.

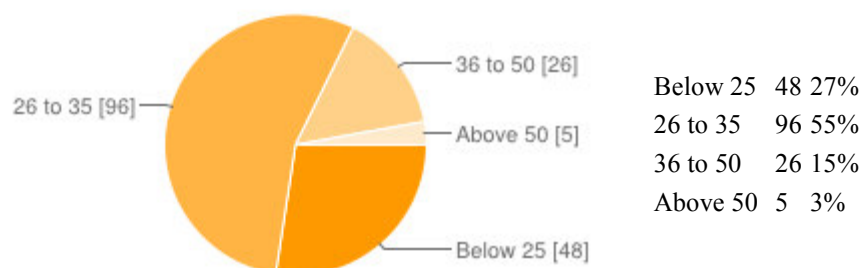
Results/Response Summary (n = 175)

1. Name

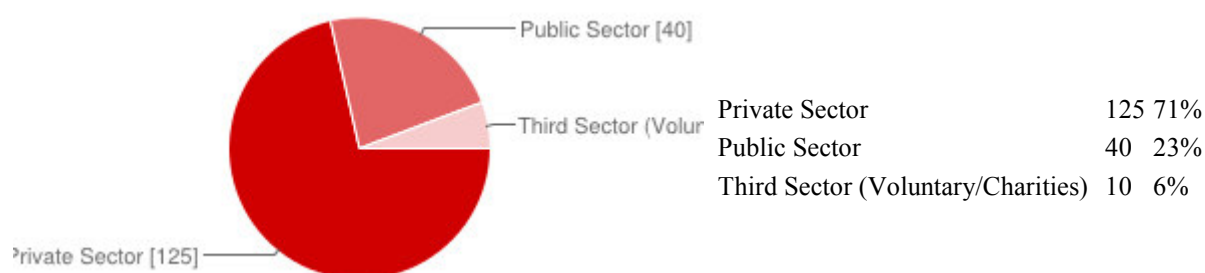
2. Gender



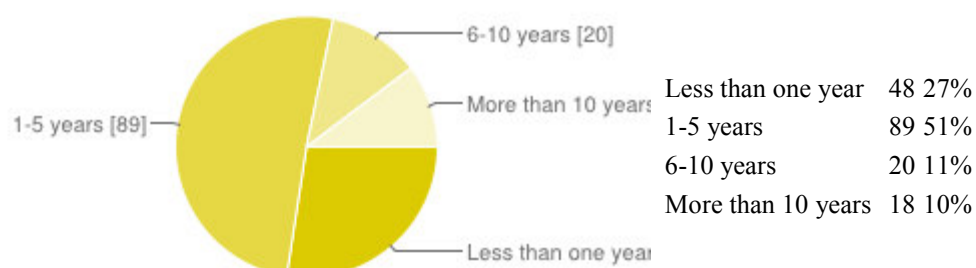
3. Age Group



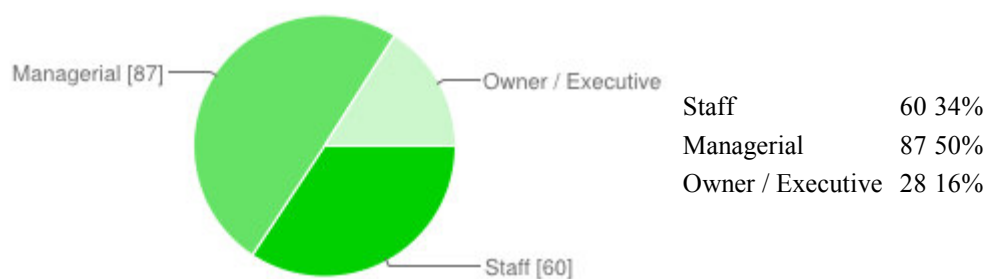
4. Where do you place your organization?



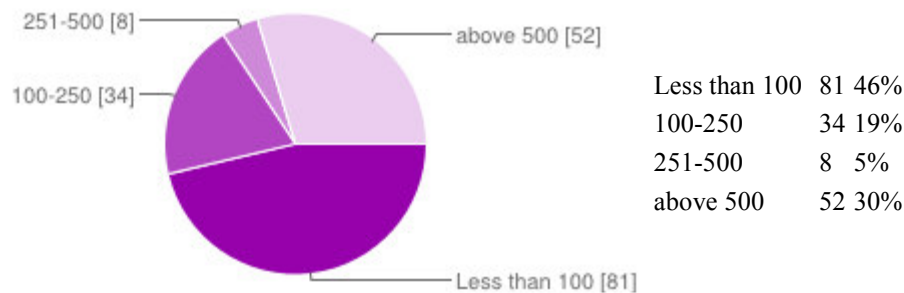
5. How long have you been serving for your current organization?



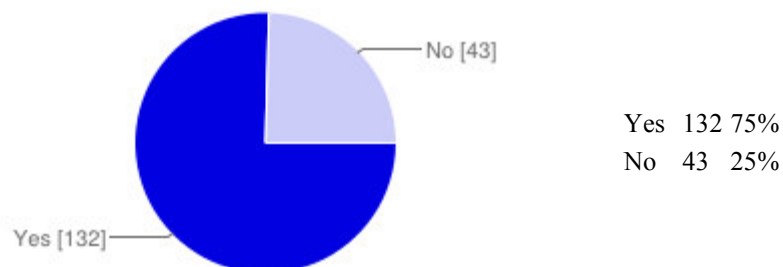
6. At which position / level are you currently working in the organization?



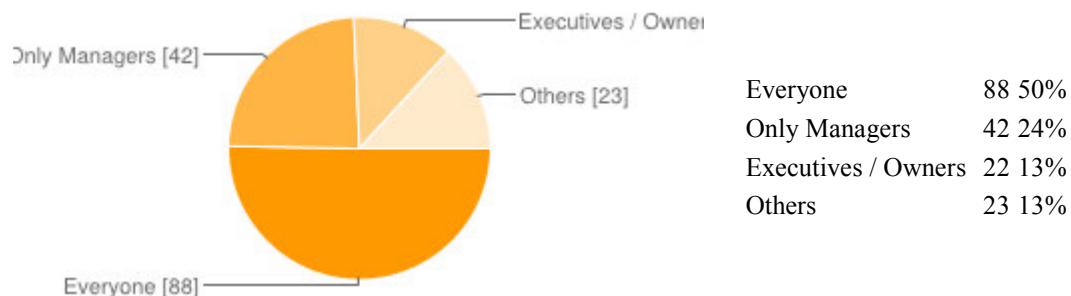
7. How many employees do your organization has?



8. Do you use Social Media for work related purposes?



9. At what level / who is allowed to use Social Media for work related purpose at your organization?

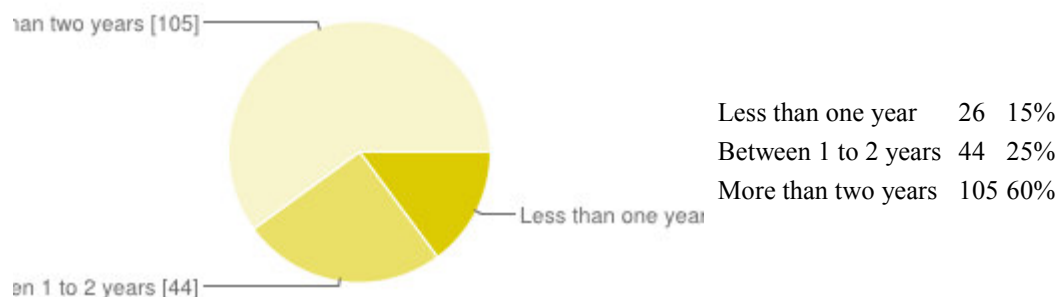


10. What type of Social Media do you / your organization use for work related purpose?

Blogging / Micro blogging (i.e. Twitter,, Wordpress, Blogger etc)	54	31%
Social Networking (i.e. Bebo, Facebook, LinkedIn)	120	69%
Wikis (i.e. Wikipedia, internal wikis)	51	29%
Live casting (i.e. Ustream.tv, Skype)	46	26%
Other	54	31%

People may select more than one checkbox, so percentages may add up to more than 100%.

11. How long have you been using Social Media for?



12. How often do you use Social Media for professional purposes?

1-3 times a week	36	21%
1-3 times a month	6	3%
Daily	88	50%
Less than once a month	4	2%
Occasionally	41	23%

13. You / your organization use Social Media for?

Communication & Networking	133	76%
Recruitment & Hiring	59	34%
PR, Marketing & Promotion	68	39%
Customer Services / Feed Back	65	37%
Community Involvement / Social Services	52	30%
Other	46	26%

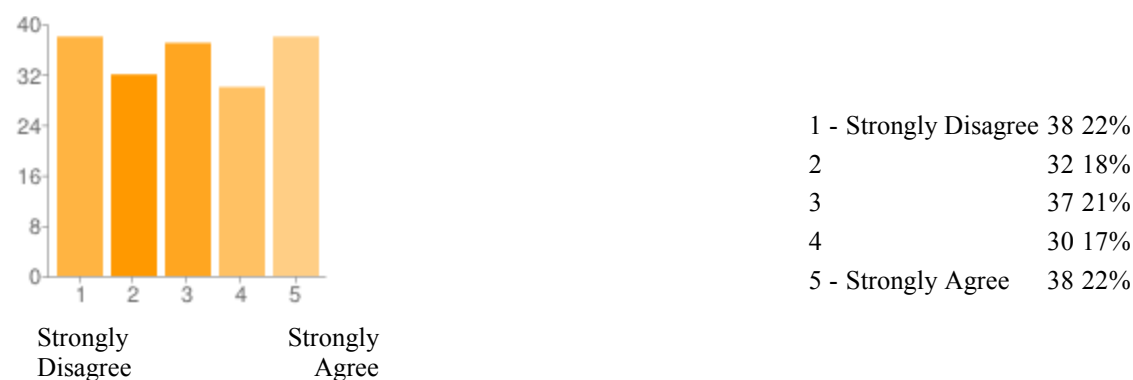
People may select more than one checkbox, so percentages may add up to more than 100%.

14. Which of the following teams in your organization uses the most of Social Media?

Human Resources	53	30%
Marketing & Sales	106	61%
IT	63	36%
Customer Service	40	23%
Other	46	26%

People may select more than one checkbox, so percentages may add up to more than 100%.

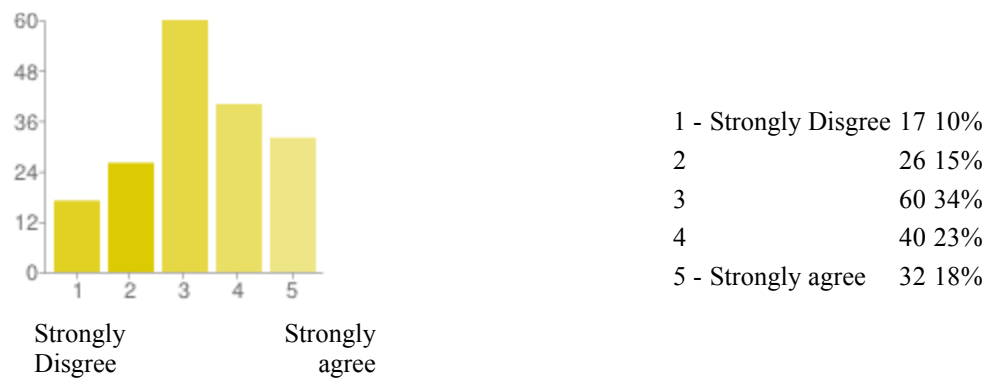
15. Management uses Social Media to communicate business information and strategies with employees.



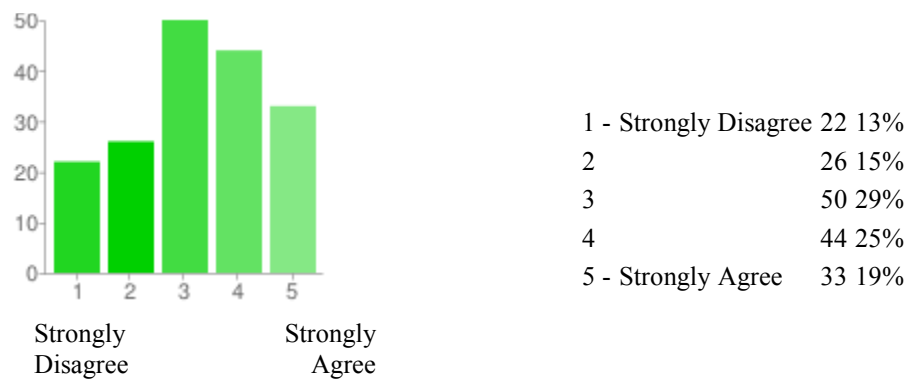
16. The sharing of business results with employees has become more regular due to usage of social media in organization.



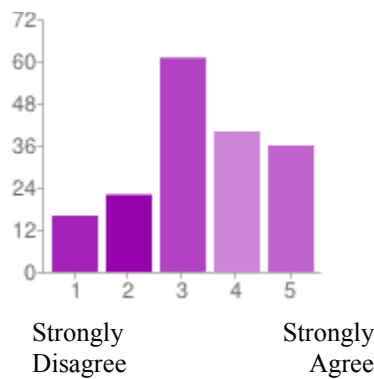
17. The use of Social Media has supported the values that are important for organizational performance & productivity



18. In the presence of Social Media, employees feel confident and certain about organization future.

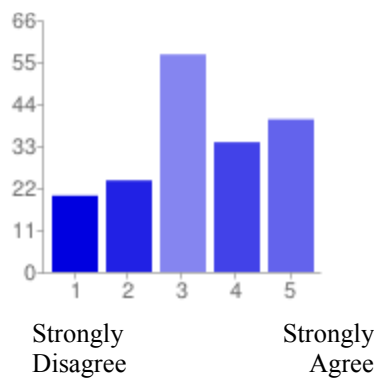


19. Management actively seeks feedback from employees and customers through Social Media with a view to improving service.



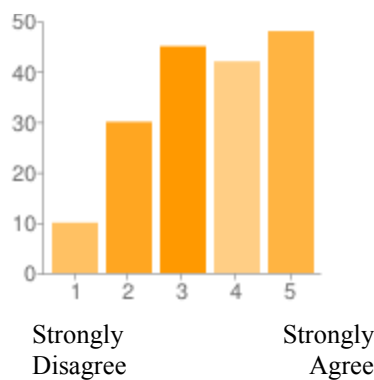
1 - Strongly Disagree	16	9%
2	22	13%
3	61	35%
4	40	23%
5 - Strongly Agree	36	21%

20. Due to Social Media, management response to deal with employee performance problems has become quick.



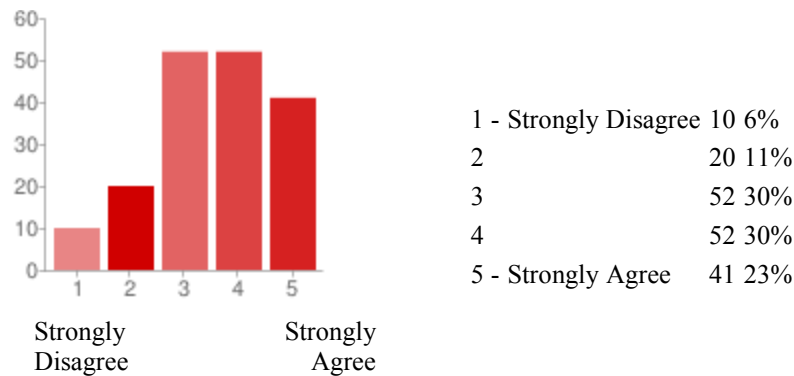
1 - Strongly Disagree	20	11%
2	24	14%
3	57	33%
4	34	19%
5 - Strongly Agree	40	23%

21. Employees use Social Media to encourage friends and relatives into employment opportunities with the organization.



1 - Strongly Disagree	10	6%
2	30	17%
3	45	26%
4	42	24%
5 - Strongly Agree	48	27%

22. Overall, usage of Social Media brought positive changes at your workplace?



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